


EXHIBIT 17

United States Bankruptcy Court/Southern District of New York Lehman Brothers Holdings Claims Processing Center c/o Epiq Bankruptcy Solutions, LLC FDR Station, P.O. Box 5076 New York, NY 10150-5076		PROOF OF CLAIM Filed: USBC - Southern District of New York Lehman Brothers Holdings Inc., Et Al. 08-13555 (JMP) 0000021488	
In Re: Lehman Brothers Holdings Inc., et al. Debtors.	Chapter 11 Case No. 08-13555 (JMP) (Jointly Administered)		
Name of Debtor Against Which Claim is Held Lehman Brothers Special Financing Inc.	Case No. of Debtor 08-13888		
NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A request for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503. Additionally, this form should not be used to make a claim for Lehman Programs Securities (See definition on reverse side.)			
Name and address of Creditor: (and name and address where notices should be sent if different from Creditor) Tobacco Settlement Financing Corporation (cred. number 1000193252) 50 West State Street, Trenton, New Jersey 08625 with a copy to: Gibbons P.C. Geraldine Ponto, Esq., counsel to Tobacco Settlement Financing Corporation One Gateway Center, Newark, New Jersey 07102-5310 Telephone number: 973-596-4500 Email Address: gponto@gibbonslaw.com		<input type="checkbox"/> Check this box to indicate that this claim amends a previously filed claim. Court Claim Number: _____ (If known) Filed on: _____	
Name and address where payment should be sent (if different from above) Tobacco Settlement Financing Corporation (use above Trenton, NJ address) Attn: Nancy Feldman (Nancy.Feldman@treas.state.nj.us) Telephone number: 609-984-4888 Email Address: set forth above		<input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars. <input type="checkbox"/> Check this box if you are the debtor or trustee in this case.	
1. Amount of Claim as of Date Case Filed: \$ 81,637,216.71 If all or part of your claim is secured, complete Item 4 below; however, if all of your claim is unsecured, do not complete item 4. If all or part of your claim is entitled to priority, complete Item 5. If all or part of your claim qualifies as an Administrative Expense under 11 U.S.C. §503(b)(9), complete Item 6. <input checked="" type="checkbox"/> Check this box if all or part of your claim is based on a Derivative Contract.* <input type="checkbox"/> Check this box if all or part of your claim is based on a Guarantee.* *IF YOUR CLAIM IS BASED ON AMOUNTS OWED PURSUANT TO EITHER A DERIVATIVE CONTRACT OR A GUARANTEE OF A DEBTOR, YOU MUST ALSO LOG ON TO http://www.lehman-claims.com AND FOLLOW THE DIRECTIONS TO COMPLETE THE APPLICABLE QUESTIONNAIRE AND UPLOAD SUPPORTING DOCUMENTATION OR YOUR CLAIM WILL BE DISALLOWED. <input checked="" type="checkbox"/> Check this box if claim includes interest or other charges in addition to the principal amount of the claim. Attach itemized statement of interest or additional charges. Attach itemized statement of interest or charges to this form or on http://www.lehman-claims.com if claim is a based on a Derivative Contract or Guarantee.		5. Amount of Claim Entitled to Priority under 11 U.S.C. §507(a). If any portion of your claim falls in one of the following categories, check the box and state the amount. Specify the priority of the claim: <input type="checkbox"/> Domestic support obligations under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B). <input type="checkbox"/> Wages, salaries or commissions (up to \$10,950), earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. § 507(a)(4). <input type="checkbox"/> Contributions to an employee benefit plan - 11 U.S.C. § 507(a)(5). <input type="checkbox"/> Up to \$2,425 of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. § 507(a)(7). <input type="checkbox"/> Taxes or penalties owed to governmental units - 11 U.S.C. § 507(a)(8). <input type="checkbox"/> Other - Specify applicable paragraph of 11 U.S.C. § 507(a)(____). Amount entitled to priority: \$ _____	
2. Basis for Claim: For LBSF Deriv. Contract, see attached Sch. A; for LBH Guaranty, see attached Sch. A (See instruction #2 on reverse side.)		FOR COURT USE ONLY FILED / RECEIVED SEP 21 2009 EPIQ BANKRUPTCY SOLUTIONS, LLC	
3. Last four digits of any number by which creditor identifies debtor: 3252 3a. Debtor may have scheduled account as: _____ (See instruction #3a on reverse side.)			
4. Secured Claim (See instruction #4 on reverse side.) Check the appropriate box if your claim is secured by a lien on property or a right of setoff and provide the requested information. Nature of property or right of setoff: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other Describe: _____ Value of Property: \$ _____ Annual Interest Rate _____ % Amount of arrearage and other charges as of time case filed included in secured claim, if any: \$ _____ Basis for perfection: _____ Amount of Secured Claim: \$ _____ Amount Unsecured: \$ _____			
6. Amount of Claim that qualifies as an Administrative Expense under 11 U.S.C. §503(b)(9): \$ 0 (See instruction #6 on reverse side.)			
7. Credits: The amount of all payments on this claim has been credited for the purpose of making this proof of claim. 8. Documents: Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages and security agreements. Attach redacted copies of documents providing evidence of perfection of a security interest. (See definition of "redacted" on reverse side.) If the documents are voluminous, attach a summary. DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING. If the documents are not available, please explain: Date: 9-11-09 Signature: The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney, if any. By: [Signature] Tobacco Settlement Financing Corporation			
Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.			

R. David Rousseau, Chairman and President

SCHEDULE A

IN RE LEHMAN BROTHERS HOLDINGS INC., ET AL.
CASE NO. 08-13555 (JMP) (JOINTLY ADMINISTERED)

PROOF OF CLAIM OF
TOBACCO SETTLEMENT FINANCING CORPORATION

CLAIM SUMMARY.

In 2002 and 2003 the Tobacco Settlement Financing Corporation (“TSFC”) issued Tobacco Settlement Asset-Backed Bonds, Series 2002 and Series 2003 (together, the “Prior Bonds”). In 2007, TSFC refunded the Prior Bonds with the issuance of Tobacco Settlement Asset-Backed Bonds, Series 2007-1 (the “Series 2007 Bonds,” and, together with the Prior Bonds, the “Bonds”). Contemporaneously with the issuance of each series of bonds, TSFC entered into a Reserve Fund Agreement with Lehman Brothers Special Financing Inc. (“LBSF”), each of which is attached hereto as Exhibits A-1, A-2 and A-3.¹ The parties elected not to terminate the Reserve Fund Agreements for the Prior Bonds and instead, the parties amended the Reserve Fund Agreements for the Prior Bonds on January 29, 2007 to provide that the obligations under these agreements no longer applied to the Prior Bonds but applied to the Series 2007 Bonds. Contemporaneously with LBSF’s entering into each Reserve Fund Agreement, all of LBSF’s obligations under such Reserve Fund Agreement were guaranteed by Lehman Brothers Holdings Inc. (“LBH”) pursuant to three separate Guarantees of Lehman Brothers Holdings Inc. dated August 28, 2002, March 6, 2003 and January 25, 2007 (collectively, the “LBH Guarantees”), each of which is attached hereto as Exhibits B-1, B-2 and B-3.

Under the Reserve Fund Agreements, LBSF agreed to deliver to the trustee (the “Trustee”) for the Series 2007 Bonds qualified securities selected by LBSF (“Qualified Securities”). Under the Reserve Fund Agreements, Qualified Securities were supposed to be delivered to the Trustee on or about November 28, 2008. However, on September 15, 2008, Lehman Brothers Holdings and certain related entities filed voluntary petitions for relief under chapter 11, title 11, United States Code, 11 U.S.C. § 101, et seq. (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Southern District of New York. Also on September 15, 2008, Moody’s downgraded Lehman Brothers Holdings rating to below Baa3, and S&P to below BBB- by S&P. On October 3, 2008, LBSF filed for protection under chapter 11 of the Bankruptcy Code. As a result, a Lehman Event of Default and a Lehman Downgrade (each as defined in the Reserve Fund Agreements) occurred.

BASIS FOR CLAIM.

The Bankruptcy Court by its “Supplemental Order Pursuant to Sections 105 and 365 of the Bankruptcy Code to Establish Procedures for the Settlement or Assumption and Assignment

¹ LBSF, TSFC and the trustee for the Bonds entered into three Reserve Fund Agreements, dated August 28, 2002 (as amended January 29, 2007), March 7, 2003 (as amended January 29, 2007) and January 29, 2007 (collectively referred to as the “Reserve Fund Agreements”).

of Prepetition Derivative Contracts" dated January 15, 2009 [Docket No. 2557], acknowledged that the Termination and Settlement Procedures, as defined in that order, approved by the Bankruptcy Court applied to TSFC. Pursuant to that order, by letter dated January 16, 2009, TSFC gave written notice to Lehman Brothers Special Financing Inc. of the termination of the Reserve Fund Agreements as the result of various defaults under the Agreements ("Termination Notice"), as set forth in the Termination Notice. TSFC's attorneys provided a copy of the Termination Notice to the Debtors' attorneys. By a memorandum dated March 3, 2009, the Debtors' attorneys acknowledged to TSFC's attorneys the validity of TSFC's termination of the Reserve Fund Agreements. A copy of the Termination Notice and March 3, 2009 memorandum is attached as Exhibits C and D, respectively, to this proof of claim.

On January 26, 2009 at 3:00 PM EST First Southwest Company conducted a non-actionable bid in accordance with each of the Reserve Fund Agreements. Below is a chart showing the calculation used to arrive at TSFC's claimed amount based on the definition of "Termination Amount" contained in each of the Reserve Fund Agreements as calculated by First Southwest Company. A copy of the Non-Actionable Bid for Termination of Forward Purchase Agreement IRS Compliance Transcript re: Tobacco Settlement Financing Corporation-New Jersey, Relating to: \$3,625,794,637.90 Tobacco Settlement Asset-Backed Bonds Series 2007-1 dated January 26, 2009 prepared by First Southwest Company is attached as Exhibit E.

TOTAL CLAIM AMOUNT

The total claim amount is \$81,637,216.71, of which \$79,887,227.60 is based on the definition of "Termination Amount" contained in each of the Reserve Fund Agreements as calculated by First Southwest Company as fully set forth in Exhibit E hereto, \$1,608,618.11 represents interest not earned during the period from and including the first business day after the November 28, 2008 delivery date for Qualified Securities (December 1, 2008) through the date that the Debtors' attorneys acknowledged to TSFC's attorneys the validity of TSFC's termination of the Reserve Fund Agreements (March 3, 2009) calculated in accordance with the Reserve Fund Agreements and \$141,371 represents attorneys' fees and costs incurred in connection with the termination and enforcement of TSFC's rights under the Reserve Fund Agreements.

\$3,436,225,000
Tobacco Settlement Financing Corporation, State of New Jersey
Tobacco Settlement Asset-Backed Bonds
Series 2007-1A Senior Certificates

Bid Results

BID: Termination of Lehman Brothers Special Financing Inc. CP FPA
BID DATE: January 26, 2009 3:00 PM EASTERN
BIDDING AGENT: Mike Marz - David Brayshaw (214) 953-4040

Firm	L.T. - Credit Rating		S.T. - Credit Rating		Reserve Fund Agreement dated January 29, 2007	Reserve Fund Agreement dated March 7, 2003, as amended January 29, 2007	Reserve Fund Agreement dated August 28, 2002, as amended January 29, 2007
	S&P	Moody's	S&P	Moody's			
Barclays Capital Inc.	AA-	Aa3	A-1+	P-1	\$100,469,617@5.002%	\$82,835,000@4.44%	\$31,154,270@4.7%
Citigroup	A+	Aa3	A-1	P-1	\$70,326,591.00	\$48,691,798.00	\$19,917,635.00
Morgan Stanley & Co., USA	A	A2	A-1	P-1	\$34,017,000.00	\$18,686,000.00	\$8,815,000.00
Natixis Funding Corporation	A+	Aa3	A-1	P-1	\$49,656,142.69	\$30,941,441.34	\$13,376,817.16
Transamerica (AEGON)	AA	Aa3	A-1+	P-1	\$35,800,000.00	\$20,500,000.00	\$9,500,000.00
Arithmetic mean of market quotations					\$42,728,071.35	\$25,720,720.67	\$11,438,435.58

A positive number indicates that the FPA is in the money to NJ. Does not include any expenses.
Bid: Termination of Lehman Brothers Special Financing Inc. CP FPA